

Amendment Section 4011 — Cut \$362 million in surplus WIC stimulus funds to pay for the supplemental

Congress had already funded a “contingency fund” for the WIC program

The Stimulus Legislation Provided the WIC Program With Ten Times More Funding Than It Needed

Agency Officials Did Not Request the Extra Stimulus Funds, and Were Surprised to Get Them

The House Supplemental Already Uses the Surplus WIC Funds as an Offset

|

Amendment Section 4011 — Cut \$362 million in surplus WIC stimulus funds to pay for the supplemental

Established in the 1970s, the Women, Infants and Children (WIC) program at the United States Department of Agriculture (USDA) administers “nutrition assistance programs to provide children and needy families better access to food and a more healthful diet.”¹

Individuals who participate in the program must show medical need, verified by a health professional. Participants must be able to prove that they are below 185 percent of the poverty level.²

WIC has \$362 million that it does not plan to use, which can be used as an offset.

The Emergency Supplemental Appropriations bill should be funded from programs that have a surplus before additional money is added to the deficit.

This amendment would transfer \$362 million from the WIC program to the programs being financed by the emergency supplemental.

Congress had already funded a “contingency fund” for the WIC program

Ordinarily, WIC payments are covered by the regular program budget of \$6-7 billion a year.

The American Recovery and Reinvestment Act (ARRA) allocated \$400 million for WIC as a “reserve amount” to ensure payments during the economic downturn.

Congress already provides WIC with a \$125 million “contingency reserve fund,” which it replenishes each year up to that amount.³

¹ [http://www.usda.gov/oig/webdocs/27703-1-CH\(RA\).pdf](http://www.usda.gov/oig/webdocs/27703-1-CH(RA).pdf)

² http://clinton3.nara.gov/pcscb/rmo_wic.html

³ [http://www.usda.gov/oig/webdocs/27703-1-CH\(RA\).pdf](http://www.usda.gov/oig/webdocs/27703-1-CH(RA).pdf)

The Stimulus Legislation Provided the WIC Program With Ten Times More Funding Than It Needed

According to an April 2010 report of the USDA Inspector General, only \$38 million out of \$400 million was spent in 2009 and WIC administrators do not expect to need any of the remaining funds in 2010.⁴

This means that Congress overfunded the contingency fund by a factor or ten. While it was unknown at the time how big the need would be, we are now in a better position to reprogram the money.

It is even possible that the remaining funds will *never* be used.

USDA officials at the Food and Nutrition Service have publically stated that the \$400 million provided by the American Recovery and Reinvestment Act was more than was needed.

To quote directly from the IG report:

“FNS officials informed us that most of the \$400 million in WIC reserve funds provided by the Recovery Act would not be used.”

Because the WIC program only need \$38 million to support the additional support needs that agency need to help with in 2009, the additional amount could be used for more pressing needs.

Agency Officials Did Not Request the Extra Stimulus Funds, and Were Surprised to Get Them

In the same April 2010 report from the United States Department of Agriculture Inspector General, official had said that they “had not anticipated receiving”⁵ the millions from the stimulus.

Because the agency already had an existing program contingency reserve fund, the new money was unnecessary.

⁴ [http://www.usda.gov/oig/webdocs/27703-1-CH\(RA\).pdf](http://www.usda.gov/oig/webdocs/27703-1-CH(RA).pdf)

⁵ [http://www.usda.gov/oig/webdocs/27703-1-CH\(RA\).pdf](http://www.usda.gov/oig/webdocs/27703-1-CH(RA).pdf)

The House Supplemental Already Uses the Surplus WIC Funds as an Offset

The House of Representatives has already passed its own version of the emergency supplemental that would return the \$362 million to the Federal Treasury as an offset.⁶

The Senate bill would reverse this common sense policy in favor of simply borrowing more and adding to the deficit.

This amendment does not have any impact on the WIC program, it simply returns money that agency officials have stated that they do not need for their program.

⁶ http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h4899rfs.txt.pdf